



PRESENTATION TO PETROLEUM UTILITIES BOARD



Telephone
(709) 266 - 1320

Address
6 Centre Island Road South,
Site 5, Unit 2, Box 2
Fogo Island Central
A0G 2B0

Website
www.townoffogoisland.ca

August 2024

TABLE OF CONTENT



01 Introduction

02 Impact on Economic Growth

03 Impact on Transportation & Mobility

04 Cost of Living & Economic Inequality

05 Pricing Differential Analysis

06 Conclusion



INTRODUCTION



Disproportionate increases in fuel surcharges will have significant socio-economic impacts on Fogo Island, particularly given its geographic isolation and reliance on fuel for transportation, heating, and other essential activities.

This presentation will outline the socio-economic impacts of this decision and will analyze the differentials of Central NL and the Zone 3a, 3b, 3c differentials to understand the variance between these areas. We will demonstrate why the islands in zone 3 should be included in the Central NL zone.

IMPACT ON ECONOMIC GROWTH



Small Business

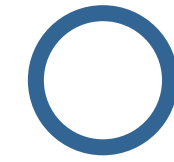


The Fishery



Tourism

IMPACT ON TRANSPORTATION & MOBILITY



01

Ferry Services

02

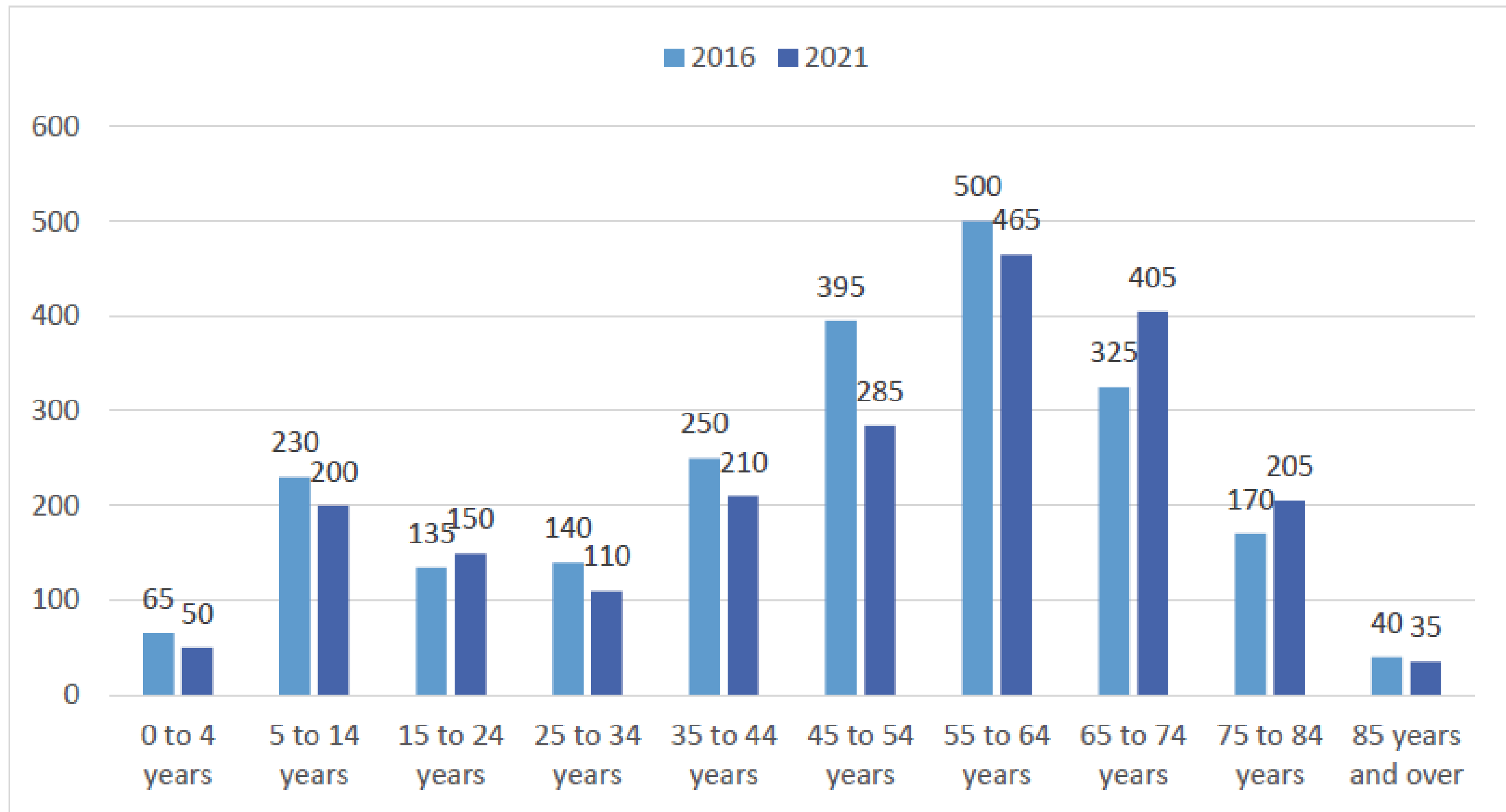
**Emergency &
Service Vehicles**

03

**Mobility & Access
to Services**



Population by Age, Fogo Island, 2016-2021



Source: Statistics Canada Census, Profile, 2016, 2021

Income Categories and Affordable Shelter Costs, Fogo Island, 2021

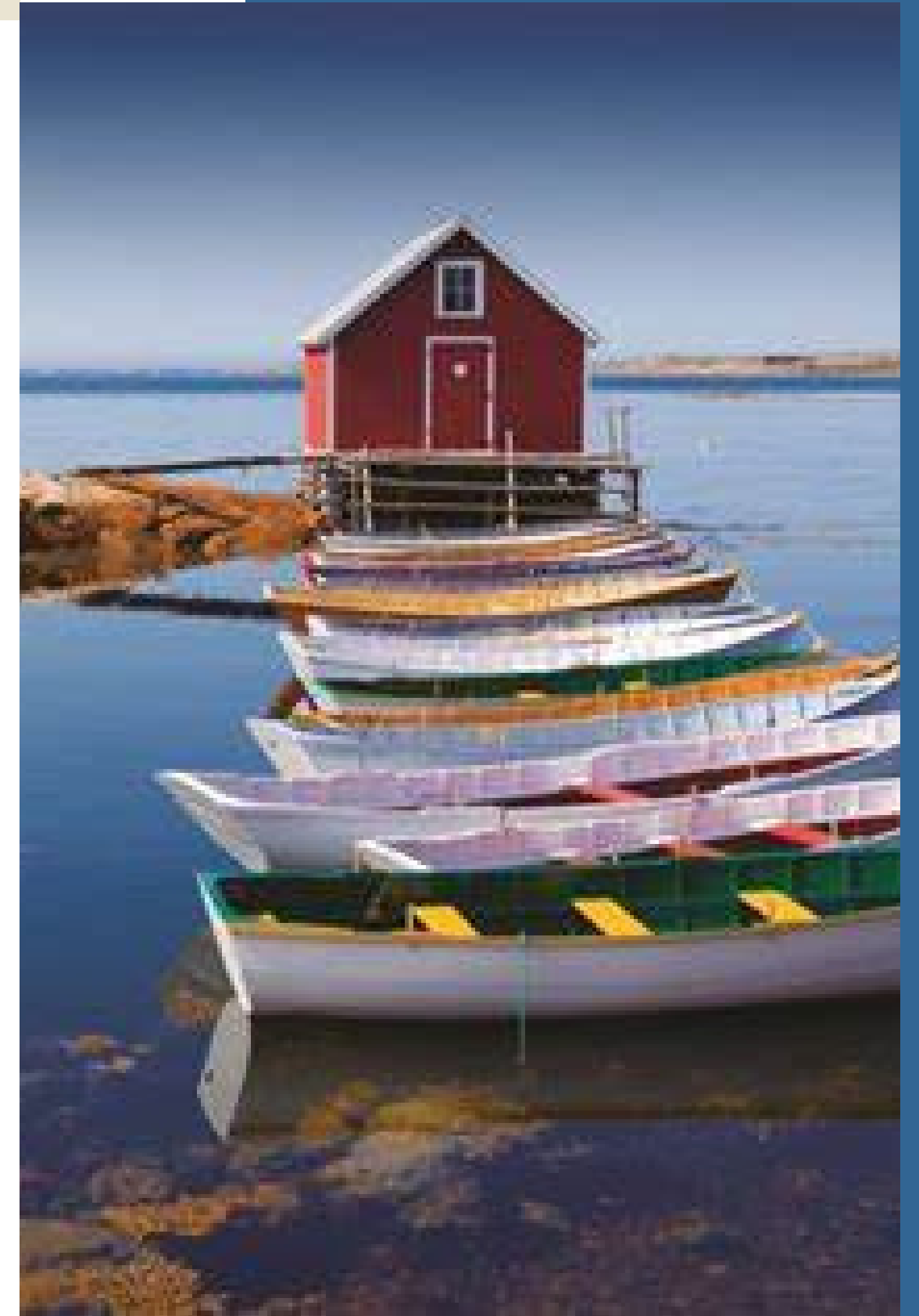
	Number of Households	Percent of Total Households	Annual Household Income
Very Low Income (20% or under of AMHI)	0	0%	<=\$14,800
Low Income (21% to 50% of AMHI)	240	25.5%	\$14,800 - \$37,000
Moderate Income (51% to 80% of AMHI)	130	13.8%	\$37,000 - \$59,200
Median Income (81% to 120% of AMHI)	250	26.6%	\$59,200 - \$88,800
High Income (121% and over of AMHI)	320	34%	=>\$88,801

Source: Statistics Canada Census, 2021, Custom Order (Housing Assessment Re:

COST OF LIVING & ECONOMIC INEQUALITY



- 01 **Food & Goods Prices**
- 02 **Household Budgets**
- 03 **Low-Income Households**
- 04 **Energy & Heating**



Differential Analysis – Motor Fuel

Location	Current	New	Change	Increase Rate
1a	0.48	0.72	0.24	50%
3	2.18	3.25	1.07	49%
3a	5.88	10.83	4.95	84.2%
3b	6.32	10.83	4.51	71.4%
3c	9.60	10.83	1.23	12.8%

Differential Analysis – Furnace Oil

Location	Current	New	Change	Increase Rate
1a	1.3	1.94	0.64	49.2%
3	4	5.96	1.96	49%
3a	7	10.88	3.88	55.4%
3b	6.50	10.88	4.38	67.4%
3c	8.40	10.88	2.48	29.5%

PRICING DIFFERENTIAL ANALYSIS

49%

Recommended increase rate for zone differentials

49%

Differential increase rate for Central NL

71%

Fogo Island's zone differential increase rate for motor fuel

67%

Fogo Island's zone differential increase rate for furnace oil

Compared to Central NL's differential, when calculating the revenue on a 30,000-liter tanker, there's an additional \$2,274 per tanker.

The only extra cost for delivery is the \$93 ferry fee and less than 100 kms round trip extra for travelling to gas stations.

CONCLUSION



The Town of Fogo Island is asking that the Petroleum Pricing Review Board do away with the Zone 3 subzones and instead include Fogo Island, Change Islands and St. Brendan's with the rest of Central Newfoundland's Zone 3. It does not make sense to create further disadvantages to select communities in an already highly competitive economic region. Most importantly, the health and well-being of Fogo Islands residents, particularly those in the vulnerable sector, is at risk. The proposed fuel price increases will greatly reduce mobility and access to essential goods and services and further marginalize the senior population, particularly in the winter months, where they already choose between heat and food.





THANK YOU



Telephone
(709) 266 - 1320

Address
6 Centre Island Road South,
Site 5, Unit 2, Box 2
Fogo Island Central
A0G 2B0

Website
www.townoffogoisland.ca

August 2024